WHOLE EARTH REVIEW

November 13, 1995

To: Wade Rose 668-4531
Ty Cashman 388-2914
Ruth Kissane
Albert Barsocchini 457-3056

From: Mike Stone

Here are the Endswell loan papers as drawn up by their attorney. Please review them and get back to me with any questions or changes. I hope we can turn these around from our end today to keep this process moving.

I'll call Chuck Ortmeyer to find out exactly what he needs by way of financial documents for the attachments.

In reading this through quickly this morning, the only substantive addition I saw immediately, was the addition (at Joel's request) of a clause stating that if we take on additional debt from some other source, we are required to apply 25% of it to repayment of this loan. I think that's acceptable, given that we don't want to take on further debt and don't have the collateral to support any more.

They have also tightened the default process and require that we surrender the Zomeworks stock certificate to them.

Please get back to me today with your responses.

Thanks very much,

Mike

27 Gate Five Road, Sausalito, CA 94965 phone: 415/332-1716 fax: 415/332-3110 email: wer@well.com

Law Offices of
HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
A Professional Corporation
Three Embarcadero Center, Seventh Floor
San Francisco, CA 94111

Tel. 415/434-1600 - Fax 415/399-3041

TELECOMMUNICATIONS TRANSMITTAL SHEET
November 10, 1995

PLEASE NOTE: THIS FACSIMILE AND THE INFORMATION IT CONTAINS ARE INTENDED TO BE A CONFIDENTIAL COMMUNICATION ONLY TO THE PERSON(S) SPECIFIED IN THE "TO" LINE BELOW. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL FAX TO THE ABOVE ADDRESS BY UNITED STATES MAIL. THANK YOU.

TO: Norine MacDonald
FAX: 604-641-4949
SWB: 604-687-6575

TO: Joel Solomon FAX: 604-683-2134

TO: Mike Stone FAX: 415-332-3110

FROM: Charles P. Ortmeyer

TOTAL NO. OF PAGES (including this cover page): 3

MESSAGE TO MIKE STONE: Transmitted herewith are the revised loan documents. I am sending them concurrently to Norine MacDonald and Joel Solomon. They have not reviewed the documents, and may have additional comments.

Best regards.

Chuck Ortmeyer

If you do not receive all pages, call the fax room at 415/765-4612 (after 7:00 p.m. call 415/399-3040) to speak directly to a facsimile operator.

Opr: Olivia

RETURN TO: maslow (7)
new

LOAN, SECURITY, AND PLEDGE AGREEMENT

This Loan, Security, and Pledge Agreement is entered into this ___ day of November, 1995, between The Point Foundation, a [California non-profit corporation] ("Point") and The Endswell Foundation of Canada, a _____ ("Endswell").

RECITALS

WHEREAS, Point is a non-profit organization that publishes, among other things, The Whole Earth Catalog and The Whole Review magazine; and

WHEREAS, Point wishes to obtain a $75,000 extension of credit from The Endswell Foundation of Canada ("Endswell"), and Endswell wishes to extend such credit; and

WHEREAS, Endswell and Point have discussed the possibility of Endswell making additional extensions of credit in 1996, which extensions of credit, if they are made, would be made under the terms of this Agreement; and

WHEREAS, Endswell is willing to consider in good faith making such further extensions of credit, but without having any present obligation to do so;

NOW, THEREFORE, the parties agree as follows:

1. Extension of Credit. Endswell will extend credit to Point in the amount of $75,000. Such extension of credit will be evidenced by a promissory note (the "Note") in the form attached as Exhibit "A" hereto. Concurrently with execution of this Agreement, the Note will be signed by Point and delivered to Endswell.

2. Further Consideration. As further consideration for the extension of credit contemplated hereby, Point will do the following:

a. offer Endswell up to $60.00 worth of unclassified advertisements in each issue of the Whole Earth Review, so long as an outstanding balance exists under the Note;

b. provide Endswell with 10 complimentary copies of The Millenium Whole Earth Catalog;

c. include "Allswell, British Columbia" in the listing of perpetual supporters published in Whole Earth Review; and

d. contact the following individuals for consideration as possible Whole Earth Correspondents: Allen Durning, Rex Weyler, and Judith Plant.

3. Grant of Security Interest. To secure payment and performance of all of Point's obligations under this Agreement and the Note, Point hereby grants to Endswell a first priority security interest in (a) all equipment listed on Exhibit "B" hereto, (b) any and all proceeds (whether cash or non-cash) derived from such equipment, and (c) proceeds of such proceeds (collectively, the "Collateral"). Concurrently with the execution and delivery of this Agreement, Point will execute and deliver to Endswell for filing a UCC-1 Financing Statement in the form attached as Exhibit "C" hereto. Point will not sell, transfer, or otherwise convey any interest in the Collateral or the Pledged Stock (as that term is defined below) except with the prior written consent of Endswell. Point will keep all Collateral in good repair. Point will insure all Collateral against loss, damage, theft, and other risks. Until default under the Note, Point will have possession and control of the Collateral, and may use the Collateral in any lawful manner not inconsistent with this Agreement and the Note.

4. Further Security. To further secure payment and performance of all of Point's obligations under this Agreement and the Note,

a. Point hereby pledges to Endswell 30,000 shares of the capital stock of Zomeworks Corporation (the "Pledged Stock"). Concurrently with execution and delivery of this Agreement, Point will deliver to Endswell a stock certificate representing the Pledged Stock, with appropriate stock powers executed in blank. Endswell will hold the Pledge Stock in pledge, until the Note has been paid in full.

b. Point hereby assigns to Endswell, to the extent necessary to pay any of Point's obligations under this Agreement or the Note, any and all amounts payable to Point under that certain Agreement dated July 8, 1993 (the "Publishing Agreement") between the Point Foundation and HarperCollins Publishers Inc., related to publication of "The Millenium Whole Earth Catalog." Upon Endswell's request, Point will notify HarperCollins Publishers Inc. of such assignment and will take any action necessary to effectuate such assignment.

5. Future Extensions of Credit by Endswell. The parties contemplate that Point may desire two further extensions of credit in the

amount of $75,000 in March, 1996, and $50,000 in October, 1996. Endswell will consider in good faith making such extensions of credit, provided that Endswell will be under no obligation to extend such credit. If Endswell does agree to extend such credit, Point will execute and deliver successive promissory notes in the form attached hereto as Exhibit "A," which notes will be issued pursuant to the terms and conditions of this Agreement.

6. Future Grants or Borrowings from Third Parties. If Point in the future obtains cash grants or cash extensions of credit from a third party while there is an outstanding balance under the Note, even if such outstanding balance is not then due and payable, Point will promptly pay over to Endswell 25% of the proceeds from such grants or extensions of credit, to the extent of such outstanding balance.

7. Financial Information. As they become available, Point will promptly deliver to Joel Solomon, as agent for Endswell,

a. copies of all royalty statements provided by HarperCollins Publishers Inc. under the Publishing Agreement;

b. quarterly financial statements for Point; and

c. other financial information concerning Point that is reasonably requested by Endswell.

Point will also promptly deliver to Endswell any information, notices, or communications it receives from Zomeworks Corporation.

8. Delivery of Additional Documents. Point will execute and deliver all documents and take such other actions as are necessary or appropriate to allow Endswell to perfect its security interest and otherwise effectuate its rights hereunder.

9. Representations and Warranties. Point represents and warrants that:

a. it has full corporate power and authority to enter into the transactions contemplated hereby, that it has taken all corporate action necessary to authorize execution and delivery of this agreement and the Note, and that this Agreement and the Note are binding obligations of Point, enforceable against Point in accordance with the respective terms of such documents;

b. Point's execution and delivery of this Agreement and the Note, and Point's performance hereunder and thereunder, is not inconsistent with and does not violate Point's charter or bylaws or any other agreement or instrument to which it is a party or by which it is bound;

c. it owns the Collateral and the Pledged Stock free and clear of all liens, security interests, or interests of any kind of any third party, and that the security interest conveyed to Endswell herein is sufficient to give Endswell all of the rights of a first priority secured creditor with respect to the Collateral and the Pledged Stock;

d. the financial statements attached hereto as Exhibit "D" accurately and completely depict the financial condition of Point as of the date of such statements, and no material adverse changes have occurred in Point's financial condition since the date thereof.

10. Events of Default. The following shall constitute Events of Default:

a. Point's failure to pay the Note in accordance with its terms;

b. Point's failure to comply with any term of this Agreement, the Note, or any other agreement between Endswell and Point with respect to this Agreement or the Note, which failure continues 30 days after written notice thereof has been given to Point; and

c. Any representation, warranty or statement made by or on behalf of Point in or with respect to this Agreement shall prove to have been false or misleading.

11. Remedies. Upon the occurrence of an Event of Default, Endswell may exercise remedies provided for in the Note or under applicable law, and may otherwise exercise all rights and remedies available to a secured creditor after default, including but not limited to the rights and remedies of secured creditors under the Uniform Commercial Code as enacted in California.

12. Attorneys' Fees and Expenses. Point shall pay all expenses, including attorneys' fees, incurred by Endswell in the enforcement of its rights hereunder and under the Note.

13. Savings Clause. Whenever possible, each provision of this Agreement and the Note will be interpreted in such a manner as to be effective and valid under applicable law. If any such provision shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement or the Note.

14. Modification and Amendment. Neither this Agreement nor the Note may be modified or amended except by a writing against which such modification or amendment is asserted.

15. Entire Agreement. This Agreement and the Note contain the entire agreement between the parties with respect to the subject matter hereof, and all prior and contemporaneous agreements and understandings are merged herein and superseded hereby.

16. Governing Law. This Agreement shall be governed by the law of the State of California.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.

THE ENDSWELL FOUNDATION	THE POINT FOUNDATION
By: _____	By: _____
Its: _____	Its: _____

EXHIBIT A

FORM OF PROMISSORY NOTE

$75,000

San Francisco, California
November __, 1995

SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, The Point Foundation, a [California non-profit corporation] ("Maker") promises to pay to the order of The Endswell Foundation of Canada, a _____ ("Holder") the principal sum of Seventy-five Thousand Dollars and No Cents ($75,000), together with interest on the unpaid principal balance at the rate of ten percent (10%) per annum from the date hereof until paid in full.

1. Interest. The outstanding principal amount of this Note will bear interest at ten percent (10%) per annum, calculated on a 360-day-a-year basis. Interest will accrue monthly. Maker will receive a credit against accrued interest, up to a maximum of 60% of such accrued interest, for any "In-Kind Payments" which Maker shall make from time to time. For this purpose, "In-Kind Payments" will mean any of the following:

a. Subscriptions to the Whole Earth Review, given at no charge to individuals and organizations in British Columbia selected by mutual agreement of Maker, Holder, and Mr. Joel Solomon.

b. Complimentary copies of the Millenium Whole Earth Catalog, given to individuals and organizations in British Columbia.

c. Complimentary copies of the Whole Earth Review to be given to organizations in British Columbia.

d. Free unclassified advertising in Whole Earth Review for Hollyhock and other organizations selected by agreement of Maker and Holder.

e. Out-of-pocket expenses incurred directly in connection with efforts to expand circulation in British Columbia for products and publications offered by Maker.

Maker may from time to time propose in writing that other types of goods and services be considered In-Kind Payments. Such additional goods and services will be considered In-Kind Payments if Holder consents in writing. Holder may withhold its consent in its sole discretion.

The In-Kind Payments described in subparagraphs a., b., c., and d. above will be valued at the retail prices normally charged for the goods and services involved. If goods and services are not sold at retail, then such goods and services will be valued at their fair market value.

On each anniversary of the date of this Note, all accrued interest, less any credits resulting from In-Kind Payments, will be added to the outstanding principal balance under the Note.

2. Payment. On the first anniversary of the date of this Note, Maker will pay to Holder five percent (5%) of the then-outstanding sum of the principal balance of this Note, which balance shall include interest accrued during the preceding year and added to principal. Thereafter, on each of the second, third, and fourth anniversaries of the date of this Note, Maker will pay to Holder ten percent (10%) of the then-outstanding sum of the principal balance of this Note, which balances will also reflect the addition of accrued interest. On the fifth anniversary of the date of this Note, the Maker will pay to the Holder a sum equal to all outstanding principal and accrued interest under this Note.

Payments shall be applied first to accrued interest as of the date on which such payments are actually received, and then to the unpaid principal balance.

Any other payments which may become due under the terms of this Note, including the payment of principal and interest on the due dates, penalties, costs, and attorneys' fees, shall bear interest from the date upon which they become due at the rate of ten percent (10%) per annum. Such costs and fees shall become due and payable upon demand by Holder.

3. Security and Collateral. Maker's obligations under this Note are secured by certain collateral, as set forth in that certain "Loan, Security, and Pledge Agreement" dated November __, 1995, between Maker and Holder (the "Loan Agreement").

4. Prepayment. Holder will have the right to prepay this Note at any time without penalty.

5. Default.

This Note shall be in default in the event that any one of the following occurs:

(1) Maker shall fail to make payment of principal and interest on the due date (or any other sum that may become due hereunder), and such failure shall continue for a period of ten days (10) days; or

(2) An Event of Default shall occur under the Loan Agreement.

Upon occurrence of a default the Holder shall have all rights and remedies provided to it by law, and without limiting the generality of the foregoing, may do any one or more acts described in the following subparagraphs, and in any order it deems appropriate:

(1) Immediately and with notice to Maker, Holder may accelerate Maker's obligations hereunder and all amounts shall immediately become due and payable;

(2) Holder shall have the right to foreclose the security interests created by the Loan Agreement either by judicial or nonjudicial foreclosure, and to otherwise exercise any and all of the rights of a secured creditor under applicable law; and

(3) Holder shall have the right to enforce any one or more of the remedies provided hereunder or by law or in equity either successively or concurrently, and any such action by Holder shall not be deemed an election of remedies or otherwise prevent Holder from pursuing any further remedy it may have hereunder or at law or in equity.

6. Notice.

All notices hereunder shall be deemed given if hand-delivered or sent by certified mail, return receipt requested, to Maker at such address as Maker may specify to Holder from time to time in writing.

7. Miscellaneous.

If this Note is not paid according to its terms, Maker agrees to pay all costs of collection, including reasonable attorneys' fees, that may be incurred by the Holder in seeking the collection of this Note.

Maker waives protest, demand, presentment, notice of dishonor, and notice of protest in case this Note is not paid at maturity or any

installment not paid when due and agree that after maturity of this Note, the time of making payment of the same may be extended without prejudice to the Holder without releasing Maker.

This Note shall be binding upon and inure to the benefit of the heirs, successors, legal representatives, administrators and assigns of the parties and all endorsers or sureties hereof.

Any question of interpretation or enforcement of this Note shall be governed by the laws of the State of California.

THE POINT FOUNDATION, [a California non-profit corporation)

By: _____

Its: _____

ATTACHMENT B

SCHEDULE OF COLLATERAL

ATTACHMENT C

FORM OF UCC-1 FINANCING STATEMENT

ATTACHMENT D

FINANCIAL STATEMENTS